

Call to Order

The meeting was called to order at 7:00 p.m. in the 3rd floor Conference Room at the Town Offices. Present were: Chairman S. Jon Stumpf, Vice Chair Mary O'Donoghue, Linn Anderson, Paul Fortier, Margaret (Peggy) Kruse, Joanne Marden, Mark Merritt, Eugenie (Janie) Moffitt, and Gregory Serrao; also present was Finance Director Donna Walsh. The meeting was cablecast live.

Minutes

On a motion by Ms. Marden seconded by Ms. O'Donoghue, the Committee voted to approve the December 3rd Tri-Board Meeting minutes. The motion passed 9-0 with changes.

On a motion by Mr. Merritt seconded by Mr. Serrao, the Committee voted to approve the December 17th Tri-Board Meeting minutes. The motion passed 6-2-1 with changes.

On a motion by Mr. Merritt seconded by Mr. Serrao, the Committee voted to approve the December 17th FinCom minutes. The motion passed 8-0-1.

On a motion by Mr. Fortier seconded by Ms. O'Donoghue, the Committee voted to approve the January 9th FinCom minutes. The motion passed 7-0-2.

Special Town Meeting

Bancroft: School Building Committee Chairman Tom Deso explained that the Bancroft School Article does not contain a dollar amount, but the motion at Special Town Meeting will be to authorize the Town to approve \$5,815,000 (\$4,235,538 of this as exempt) additional funding to complete the Bancroft School project. The additional funding is being requested primarily as a result of a litigation delay and increased construction costs which will be explained at Town Meeting. The requested amount includes contingencies built in which may or may not be needed; so this amount is the maximum needed to complete the project.

FinCom discussed how to present information with respect to the impact on the tax rate. Although additional money is needed, there will be very little impact on the taxpayer due to the current lower borrowing interest rates, an important message to communicate.

Mr. Merritt moved and Mr. Serrao seconded approval of Article 1 of \$5,815,000 additional funding potentially needed for Bancroft School project. The motion passed unanimously, 9-0.

Mr. Deso expressed his appreciation to the Committee for their support.

Finance Committee Report: Mr. Stumpf will email a letter to the Committee for approval which is due at the printer by Jan. 23rd. Ms. Marden will assist in writing a paragraph explaining that the Article seeks approval of an additional \$5M to supplement the original amount that was approved two years ago for the Bancroft project. In addition, a chart showing the impact on the tax rate with a factual translation of the Article with Finance Committee's approval should be included.

Debt Service

There was much discussion about the updated Debt Service Model circulated by Ms. Walsh. Over the next five years, the compound annual growth in revenues is significantly lower than the compound annual growth in total debt services for both exempt and non-exempt debt. The exempt debt priorities will be determined by the residents' vote; however, the non-exempt debt illustrates that either more debt needs to be added to complete repairs/improvements or there will be no additional borrowing for 2 years. Some regular, necessary repairs will have to be done, however. The Debt Analysis Tool lays the framework, but priorities will need to be determined. Ms. Walsh will send the most updated

Debt Service cont'd

information to the Selectmen and School Committee. Updating this tool annually would be helpful.

Health Insurance

Ms. Walsh distributed a handout of the breakdown of insurance benefits, which was discussed. Part-time vs. full-time benefits breakdown will be obtained from Human Resources. State law dictates that Town employees will receive health insurance if they work at least 20 hours/week. Department Heads need to understand the financial implications when hiring. This year, there are 28 more subscribers than what was budgeted for. A look at the history of predicted vs. actual number of subscribers in a given year would be helpful to determine trends and assist in future budgeting.

OPEB

The State puts health care costs out to bid every 5 years. Although not required, municipalities are encouraged to do the same. The goal is to come up with a long-term strategy to fund OPEB. Mr. Serrao would like to see how Andover compares to other towns and understand what decisions a municipality can make that are not State dictated. The percentages of premiums that the Town pays, or whether or not spouses are covered, are examples of additional questions that should be understood. Ms. Walsh will discuss with the Town Manager and obtain this information. Ms. Moffitt will address with legislators.

Spring Town Meeting Planning

After the February 11th Special Town Meeting, meetings with different departments to review budget preparations will continue as indicated on the handout given at the last FinCom meeting.

Liaison Updates

Mr. Serrao and Mr. Stumpf reported on their meeting with the Superintendent of Schools and School Committee Chair regarding the budget preparation process. Asking questions ahead to understand the issues and needs is important for understanding how money will be allocated and for setting realistic budgets.

Ms. Anderson communicated concern from Elder Services about parking issues with respect to the Youth Center construction, but now there is more time for this to be worked out.

Ms. Kruse explained that February 7th and 21st are set for public meetings to understand the Town Yard options. A proposed Zoning Overlay is being brought to the Spring Town Meeting first, and then Request for Proposals (RFP's) will go out with options about buying land or selling property.

Adjournment

The meeting was adjourned at 8:45 p.m.

Documents: Special Town Meeting Warrant

Conservation Land Acquisition Proposed CIP Borrowing Handout

Health Insurance Handout

Respectfully Submitted,

Trudy Zakin

Recording Secretary